

1 MELINDA M. MORTON, SBN 209373  
2 mindy.morton@procopio.com  
3 JAMIE D. QUIENT, SBN 279525  
4 Jamie.quient@procopio.com  
5 PROCOPIO, CORY, HARGREAVES & SAVITCH LLP  
6 1020 Marsh Road, Suite 200  
7 Menlo Park, CA 94025  
8 Telephone: 650.645.9000  
9 Facsimile: 619.235.0398

10 Attorney for Intervenor and Counter-Claimant  
11 AUTOMATTIC INC.

12 UNITED STATES DISTRICT COURT

13 FOR THE NORTHERN DISTRICT OF CALIFORNIA

14 SAN JOSE DIVISION

15 THERMOLIFE INTERNATIONAL, LLC, an  
16 Arizona limited liability company,

17 Plaintiff and Counter-Defendant,

18 v.

19 <https://ronkramermusclebeach.wordpress.com/>, an  
20 Internet domain name;  
<https://ronkramermusclebeach.wordpress.com/auth>  
21 or [musclebeachkramer/](https://ronkramermusclebeach.wordpress.com/auth), an Internet domain name,

22 Defendants.

23 Case No. CV15-01616 HRL

24 **INTERVENOR AND COUNTER-  
25 CLAIMANT AUTOMATTIC INC.'S  
26 REPLY RE ITS CROSS-MOTION FOR  
27 JUDGMENT ON THE PLEADINGS**

28 Date: January 26, 2016

Time: 10:00 a.m.

Judge: Magistrate Judge Howard R. Lloyd  
Ctrm: 2, 5th Fl.

Complaint filed: April 8, 2015

Trial date: November 9, 2016

28 AUTOMATTIC INC.

29 Intervenor and Counter-Claimant.

1 Intervenor and Counter-Claimant Automattic Inc. (“Automattic”), submits the following  
 2 reply in support of Automattic’s Cross-Motion for Judgment on the Pleadings.

3 **I. INTRODUCTION**

4 It is clear that ThermoLife brought this case because the Muscle Beach Domains do not  
 5 portray Ron Kramer in a flattering way. ThermoLife is currently suing the unknown user in  
 6 Arizona for defamation. However, the ACPA was enacted to prevent cybersquatting, and not to  
 7 shut down critical websites. ThermoLife is trying to shoehorn what is in essence a defamation case  
 8 into a cybersquatting case, and it simply doesn’t fit. ThermoLife first claimed that Automattic was  
 9 the registrant of the Muscle Beach Domains, and then, in its Amended Complaint, claims that  
 10 instead, Automattic is a “domain name authority.” ThermoLife admits that the Muscle Beach  
 11 Domains are not registered on the official .com registry, but argues that it shouldn’t matter.  
 12 ThermoLife admits that the Muscle Beach Marks dealing with nutritional supplements aren’t yet  
 13 registered, but argues that trademark registration isn’t important. ThermoLife admits that the  
 14 Muscle Beach Domains do not display advertising or offer products for sale, but argues that use of  
 15 the marks in commerce isn’t essential. ThermoLife attempts to explain away all of the critical  
 16 elements for an *in rem* ACPA case, but in so doing, it is left without a plausible cause of action.  
 17 Third-level domains have never been held to be actionable under the ACPA, and the only court to  
 18 consider the issue determined that the ACPA simply didn’t extend to third-level domains. To put it  
 19 simply, ThermoLife is not entitled to relief under the ACPA for the use of un-registered trademarks  
 20 in a third-level domain name for a critical site.

21 **II. ARGUMENT**

22 **A. Third-level domains are not actionable under the ACPA<sup>1</sup>**

23 ThermoLife relies on Senator Leahy’s statement in the ACPA’s legislative history to  
 24 support its claim that third-level domains are actionable under the ACPA, but the argument ignores  
 25 a key phrase and confuses the general with the specific. Senator Leahy stated that the definition of  
 26

27 <sup>1</sup> This Reply Brief only responds to ThermoLife’s Opposition to Automattic’s Cross-Motion for  
 28 Judgment on the pleadings, and therefore does not address Plaintiff’s arguments regarding default,  
 Automattic’s standing, and ThermoLife’s claim that the Muscle Beach Domains had a bad faith  
 intent to profit.

1 domain name “is technology neutral enough to accommodate names other than second-level  
 2 domains that are actually registered with domain name authorities, as may be the case should  
 3 Internet domain name registrars begin to issue third or fourth-level domains.” Ex. 1 to Plaintiff’s  
 4 Motion. First, ThermoLife ignores the phrase “actually registered” in the statement, which makes  
 5 it inapplicable here because all parties admit that the Muscle Beach Domains are not registered.  
 6 See Answer to Automattic’s Counterclaim, ¶ 19. Second, ThermoLife uses this statement to argue  
 7 that because Automattic is a domain name registrar, the Muscle Beach Domains must be subject to  
 8 the ACPA. ThermoLife’s interpretation is strained, at best. It is true that Automattic has a contract  
 9 with Verisign to perform the duties of a domain name registrar, but Automattic did not act as the  
 10 domain name registrar for the domains at issue here. It could not have acted as the registrar  
 11 because, as all parties agree, the Muscle Beach Domains are not registered. Because Automattic  
 12 did not act as the registrar for the Muscle Beach Domains, it therefore can’t follow that Senator  
 13 Leahy’s statement means that the third-level Muscle Beach Domains are subject to the ACPA.<sup>2</sup>

14 ThermoLife also fails to effectively distinguish its claims from those in GoForIt  
 15 Entertainment, LLC v. DigiMedia.Com L.P., 750 F.Supp.2d 712 (N.D. Tex. 2010), which is  
 16 directly on point.<sup>3</sup> In that case, the court concluded that “as a matter of law, third level domain  
 17 names are not covered by the ACPA.” Id. at 723. In coming to this conclusion, the court noted  
 18 that third-level domains are outside the scope of the ACPA because they are not “registered with or  
 19 assigned by” a domain name registrar. Id. The GoForIt court further noted that “once a company  
 20 or individual registers any second level, they (and they alone) are free to create an unlimited  
 21 number of specific subdomains that resolve to their servers and websites.” Id. at 724. Automattic  
 22 has done nothing more than create specific subdomains, which every registrant of a second-level  
 23 domain is entitled and empowered to do. ThermoLife’s entire case rests on this Court finding that

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25 <sup>2</sup> Some registrars, such as the operator of the “.wed” top level domain, have requested permission  
 26 from ICANN to offer registerable third-level domains, but they must have ICANN’s approval to  
 27 proceed. See Counterclaim, ¶ 14, Ex. C. Here, ThermoLife has not alleged that Automattic has  
 28 approval from ICANN to register third-level domains. Nor has ThermoLife offered any evidence  
 that the Muscle Beach Domains are actually registered—in fact, ThermoLife has admitted that they  
 are not.

<sup>3</sup> Although not binding precedent, this is the only case either party has discovered discussing the  
 issue of third-level domains and the ACPA.

1 any registrant's use of subdomains constitutes registering and assigning under the ACPA, an  
 2 argument considered and rejected by the GoForIt court. Id. at 724. ("[t]his statement actually  
 3 supports the conclusion that domain name registrars assign second level domains but not  
 4 subdomains (e.g., third level domains) under the second level."). The Court should reject  
 5 ThermoLife's arguments here for the same reasons. Until subdomains are registered and overseen  
 6 by Verisign and ICANN, the ACPA simply doesn't apply because essential parts of the statute  
 7 would be superfluous (including the numerous references to registering, registries, and registration  
 8 authorities). See Circuit City Stores, Inc. v. Adams 532 U.S. 105, 113 (2001) (statutes should not  
 9 be interpreted in a way that renders other provisions superfluous); see also Reardon LLC v.  
 10 Reardon Commerce, Inc., 683 F.3d 1190, 1197 n.1 (9<sup>th</sup> Cir. 2012) ("A registrant can register a  
 11 domain name only through companies that serve as registrars for second level domain names");  
 12 GoForIt Entertainment, LLC v. DigiMedia.Com L.P., 750 F.Supp.2d 712, 723 (N.D. Tex. 2010)  
 13 ("The only part of a web address that must be registered is a second level domain. Establishing a  
 14 third level domain does not require registration with or assignment by a domain name registration  
 15 authority."); Cross Motion Section V(B)(1). Therefore, the unregistered Muscle Beach Domains  
 16 do not fall under the purview of the ACPA, and Automattic's motion should be granted.

17 **B. Automattic is not the "registrar" or "registry" for the Muscle Beach Domains**

18 ThermoLife claims in its Opposition that Automattic acted as "a registrar and registry."  
 19 Opposition at 5. However, case law and ThermoLife's own admissions prove otherwise.  
 20 Automattic alleged in its Counterclaim that "Pursuant to a contract with ICANN, Verisign has  
 21 exclusive rights to administer that registry for .com domains in the United States." Counterclaim at  
 22 ¶ 13. ThermoLife admitted this allegation in its Answer. Answer to Automattic's Counterclaim, ¶  
 23 13. Further, in Coal. For ICANN Transparency, Inc. v. VeriSign, Inc., 611 F.3d 495, 500 (9th Cir.  
 24 2010), the Ninth Circuit held that "Defendant VeriSign is a corporation that, through its contractual  
 25 relationship with ICANN, acts as the sole operator of the .com and .net domain name registries.  
 26 This means that VeriSign manages the definitive databases of registered .com and .net domain  
 27 names." Therefore, Automattic cannot be the registry for the Muscle Beach Domains.

28 Because Automattic is not the registry, it cannot be the registrar. Registrars "make domain

1 names available to customers and register domain names with a registry.” Vizer v.  
 2 VIZERNEWS.COM, 869 F. Supp. 2d 75, 78 (D.D.C. 2012). Further, “[t]he initial contract  
 3 between the customer and the registrar requires the registrar to register the customer's domain name  
 4 with a registry, which maintains a list of all domain names within its domain.” Id. at 82. Although  
 5 it is true that Automattic interfaced with the user here, *it did not register the name with a registry*.  
 6 ThermoLife ignores this critical job requirement of any domain name registrar in its Opposition,  
 7 instead focusing only on Automattic’s interactions with its users. Such interaction is required, but  
 8 is not sufficient to be the registrar of a domain name—the entity must *also* register the name with a  
 9 registry. The only authorized registry for .com domains is maintained by VeriSign, and  
 10 ThermoLife admits that the Muscle Beach Domains are not registered with VeriSign. See Answer  
 11 to Automattic’s Counterclaim, ¶ 19. Therefore, Automattic cannot be the registrar for the Muscle  
 12 Beach Domains.

13       **C.     Automattic did not “assign” the Muscle Beach Domains, Automattic is not a**  
 14       **“domain name authority,” and the Muscle Beach Domains are not a “domain**  
 15       **name” as defined by the ACPA**

16       ThermoLife pins its case on the meaning of “assign” and “other domain name authority.”  
 17       For all of the reasons discussed in Automattic’s Cross Motion, ThermoLife’s definitions of these  
 18       terms are wrong. ThermoLife does not offer any cases contradicting the cases cited in  
 19       Automattic’s Cross-Motion, instead calling the Vizer court’s analysis “oddly specific.”

20       However, even assuming, arguendo, that ThermoLife’s proposed definitions of these terms  
 21       is correct, ThermoLife’s case should still be dismissed with prejudice. The ACPA only governs  
 22       disputes involving “domain names.” This term is defined in the statute as “any alphanumeric  
 23       designation which is registered with or assigned by any domain name registrar, domain name  
 24       registry, or other domain name registration authority as part of an electronic address on the  
 25       Internet.” 15 U.S.C. § 1127. ThermoLife admits that Automattic is not the domain name registrar  
 26       or domain name registry for the Muscle Beach Domains. See Opening Motion at 12, Answer to  
 27       Automattic’s Counterclaims, ¶ 19. Further, as discussed in Section II.B, supra, Automattic cannot  
 28       be the registrar or registry. Therefore, Automattic would have to be an “other domain name  
 29       registration authority,” which would be impossible, as the Muscle Beach Domains are not

1 registered. ThermoLife admitted as much in its answer. Answer to Automattic's Counterclaim, ¶  
 2 19. By the plain language of the ACPA, this unregistered third-level domain is not a domain name  
 3 as defined in the statute. The only court to address this issue agreed. See GoForIt, 750 F.Supp.2d  
 4 at 724. ("Accordingly, because under the ACPA a "domain name" is "registered with or assigned  
 5 by" a website registrar, and third level domains are not registered or assigned, third level domains  
 6 fall outside the ACPA definition of a "domain name."). ThermoLife can choose to call Automattic  
 7 whatever term it wishes, but name-calling will not force the Muscle Beach Domains into the  
 8 statutory definition of "domain name."

9 **D. The purported marks are not actionable under the ACPA**

10 As discussed in Automattic's cross-motion, in order to bring an in rem action against a  
 11 domain name and to state a claim under 15 U.S.C. § 1125(d)(2), ThermoLife must establish that it  
 12 owns a registered trademark or a mark protected under § 1125(a) [infringement] or  
 13 1125(c) [dilution]. 15 U.S.C. § 1125(d)(2)(A).<sup>4</sup> ThermoLife claims in its Opposition that its  
 14 ACPA claim is based on its sole registered trademark for MUSCLE BEACH for goods and  
 15 services, which is only for "athletic clothing, business consultation services, health club services."  
 16 This claim does not rescue ThermoLife's case.

17 To be covered under the ACPA, ThermoLife would need to establish that the Muscle Beach  
 18 Domains made use of its registered trademark, in commerce, in the same field of use as its  
 19 registration. See Glow Indus., Inc. v. Lopez, 252 F.Supp. 2d. 962, 976 (C.D. Cal. 2002) (stating  
 20 that trademark application relating to "skin soaps, bubble bath, skin lotions, skin moisturizers, and  
 21 candles," even if registered, could not be invoked against use of mark "in connection with perfume  
 22 or fragrance products."); see also Mattel, Inc. v. MCA Records, 28 F. Supp.2d 1120 (C.D. Cal.  
 23 1998) (trademarks for dolls, books purses, watches, bubble bath and clothing did not apply to

24 <sup>4</sup> ThermoLife misrepresents Automattic's arguments regarding the correct standard for in rem  
 25 proceedings. Opposition at 18-19. What Automattic actually claims is that ThermoLife must have  
 26 a registered trademark, or show a violation of 15 U.S.C. § 1125(a) or (c). See Cross Motion at 16-  
 27 17. Further, ThermoLife claims that Denso Corp. v. Domain Name denso.com, Case No. 14-cv-  
 28 01050 LB, 2014 WL 7208488, \*3 (N.D.CA, Dec. 17, 2014) is the only case Automattic cites in  
 support, but Automattic also cites to the statute and to Harrods Ltd. v. Sixty Internet Domain  
 Names, 302 F.3d 214, 229 (4th Cir. 2002). See Cross Motion at 16-17. ThermoLife incorrectly  
 conflates the standards for in rem jurisdiction and personal jurisdiction cases, and by the plain  
 language of the statute, there are different requirements.

1 records, CDs or cassettes). ThermoLife does not dispute in its Opposition that the webpages  
 2 associated with the Muscle Beach Domains do not discuss or in any way relate to athletic clothing,  
 3 business consultation services, or health club services. As such, ThermoLife cannot base its ACPA  
 4 claim on its only registered mark.

5 ThermoLife nevertheless claims that its *unregistered* marks are protectable under the  
 6 ACPA because they are protected by 15 U.S.C. § 1125(a), which provides a cause of action for  
 7 trademark infringement and false designation.<sup>5</sup> ThermoLife, however, cannot state a claim for  
 8 trademark infringement or false designation of origin under 15 U.S.C. § 1125(a). To establish a  
 9 claim for trademark infringement or false designation of origin under 15 U.S.C. § 1125(a)(1)(A), a  
 10 plaintiff must prove that the defendant (1) used in commerce (2) any word, false designation of  
 11 origin, false or misleading description, or representation of fact, which (3) is likely to cause  
 12 confusion or mistake, or to deceive, as to sponsorship, affiliation, or the origin of the goods or  
 13 services in question. See Freecycle Network, Inc. v. Oey, 505 F.3d 898, 902 (9th Cir. 2007); Int'l  
 14 Order of Job's Daughters v. Lindeburg & Co., 633 F.2d 912, 917 (9th Cir. 1980). Under the Ninth  
 15 Circuit's holding in Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 674 (2005), "the  
 16 noncommercial use of a trademark as the domain name of a website – the subject of which is  
 17 consumer commentary about the products and services represented by the mark – does not  
 18 constitute infringement under the Lanham Act." In looking at the commercial use element of a  
 19 claim for trademark infringement, the court must determine if the use of the trademark was "in  
 20 connection with a sale of goods or services." Id. at 677. If it was not, then the use was  
 21 "noncommercial" and did not violate the Lanham Act. Id. A critical website that does not sell or  
 22 advertise any competing goods or services does not satisfy the commercial use requirement. Id. at  
 23 677-78.

24 ThermoLife cannot state a claim under § 1125(a) because it cannot establish that the  
 25 Muscle Beach Domains used the purported marks in commerce. ThermoLife does not dispute that  
 26 the Muscle Beach Domains have no commercial purpose whatsoever and are merely a forum for  
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28<sup>5</sup> ThermoLife does not assert in its Opposition that it has a dilution claim under 15 U.S.C. § 1125(c).

1 public criticism of Ron Kramer and his work. ThermoLife's only basis for its claim that its marks  
 2 are protectable under § 1125(a) is its allegation that "Ron Kramer has common law trademark  
 3 rights in his name, RON KRAMER, which has been used in connection with the sale and  
 4 advertising of dietary supplements for over sixteen years and is widely known and identified in the  
 5 industry." See Opposition at 9. Ron Kramer's common law rights to his name do not bring the  
 6 Muscle Beach Domains within the purview of the ACPA for the reasons discussed above.  
 7 Moreover, ThermoLife does not allege any ownership rights to the common law trademark "Ron  
 8 Kramer." The ACPA provides a cause of action for "the **owner** of a mark" and Ron Kramer is not  
 9 a plaintiff in this action. As such, ThermoLife has no right to bring an ACPA claim for trademark  
 10 infringement or false designation for the use of Ron Kramer's name on the Muscle Beach  
 11 Domains.

12 **III. CONCLUSION**

13 For all of the reasons set forth above and in Automattic's Opposition and Cross-Motion,  
 14 ThermoLife's complaint fails to state a claim upon which relief can be granted. Accordingly,  
 15 Automattic respectfully requests the Court grant Automattic's cross-motion for judgment on the  
 16 pleadings. Since the defects in ThermoLife's Amended Complaint cannot be cured by amendment,  
 17 Automattic further requests that the Court dismiss this case with prejudice and without leave to  
 18 amend.

19  
 20 Dated: January 13, 2016

PROCOPIO, CORY, HARGREAVES & SAVITCH  
 21 LLP

22

23 By: /s/ Melinda M. Morton  
 24 Melinda M. Morton

25

26 Attorney for Intervenor and Counter-Claimant  
 27 AUTOMATTIC INC.

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